

**STATEMENT OF EMERGENCY  
800 KAR 1:010E**

Pursuant to KRS 12.270(2), KRS 13A.190(1), KRS 39A.180, Executive Order 2020-215, and Executive Order 2020-253, this emergency administrative regulation is being promulgated in order to meet an imminent threat to public health, safety, or welfare. On March 6, 2020, Governor Andy Beshear signed Executive Order 2020-215 declaring a State of Emergency regarding COVID-19. On March 23, 2020, Governor Andy Beshear signed Executive Order 2020-253 establishing the “Team Kentucky Fund,” to be administered by the Secretary of the Public Protection Cabinet. This emergency regulation is being filed to establish the process for allocation of funds from the Team Kentucky Fund. This emergency regulation will be permitted to expire in accord with KRS 13A.190(3)(a). This will not be replaced by an ordinary regulation as it is being implemented in response to the COVID-19 pandemic, which is necessarily temporary in nature.

KERRY B. HARVEY, Secretary  
ANDY BESHEAR, Governor

**PUBLIC PROTECTION CABINET  
(New Emergency Administrative Regulation)**

**800 KAR 1:010E. Team Kentucky Fund.**

EFFECTIVE: May 12, 2020

RELATES TO: KRS 39A.180, 12.270(2), EO 2020-215, EO 2020-253

STATUTORY AUTHORITY: KRS 39A.180, 12.270(2), EO 2020-253

NECESSITY, FUNCTION, AND CONFORMITY: Executive Order 2020-253 (“Order”) requires the Public Protection Cabinet to establish the Team Kentucky Fund (“Fund”) to be administered by the Secretary of the Public Protection Cabinet (“Secretary”). The Order commands that the Fund, consisting of monies received from public or private sources, shall be used to provide financial assistance to those who are severely financially impacted due to the COVID-19 emergency. The Order further requires the Secretary establish standards, consistent with the public purpose of the Order to provide assistance to Kentuckians whose employment is displaced consequent to the COVID-19 emergency, regarding acceptance and expenditure of funds based on eligibility and qualifications for assistance provided to an applicant. The standards shall include establishing eligibility criteria and a process for receiving, adjudicating, and paying requests for assistance from the Fund. KRS 39A.180(1) allows political subdivisions of the state and other agencies designated or appointed by the Governor to make, amend, and rescind orders and promulgate administrative regulations necessary for disaster and emergency response purposes. KRS 12.270(2) authorizes each cabinet secretary to accept and expend funds from any source, whether public or private, in support of the duties and responsibilities of the related cabinet.

Section 1. Fund Allocations. The Cabinet, in its sole discretion, may allocate funds in any percentage it deems prudent to the distribution method described in Sections 3-9 of this regulation, or to the distribution method described in Sections 10-11 of this regulation.

Section 2. Definitions.

(1) "Financial hardship" means at least a fifty (50) percent reduction in gross earned income or loss of employment.

(2) "Qualified Nonprofit Organization" means an organization, entity, or institution which serves Kentucky residents in the areas of the necessities of life, including providing assistance to Kentuckians experiencing housing insecurity or food insecurity.

Section 3. General Eligibility Requirements.

(1) To be eligible to receive supplemental financial assistance from the Team Kentucky Fund, an applicant shall:

(a) Reside in Kentucky;

(b) Have been employed on a full-time basis March 6, 2020. Full-time basis shall mean employment consisting of an average of at least thirty (30) hours per week;

(c) Have experienced financial hardship as a result of the COVID-19 emergency, during the state of emergency declared by Executive Order 2020-215; and

(d) Have a household income at or below 400 percent of the federal poverty guidelines prior to March 6, 2020.

Section 4. Financial Assistance. (1) An applicant meeting the requirements of Section 3 of this emergency administrative regulation may receive a financial award of up to \$1,000 which may be paid directly or by issuing one or more vouchers, contingent upon monies available in the Team Kentucky Fund and the submission of a complete application. Only one (1) applicant shall be eligible to receive an award per household.

(2) All applications are subject to the availability of funds.

(3) Vouchers may be in any amount not exceeding \$1,000, and the anticipated availability of funds and volume of applications may, but are not required to be considered in establishing the award amounts.

(4) No household shall receive a total financial award of more than one-thousand dollars (\$1,000) from the Fund.

(5) Vouchers may be issued to an Applicant for payment of certain expenses enumerated below incurred by the applicant for one (1) calendar month, with the total amount not to exceed \$1,000:

(a) Rent assistance: a voucher may be issued for the payment of rent. The voucher will be made directly payable to the applicant's landlord.

(b) Mortgage assistance: a voucher may be issued for payment of a mortgage. The voucher will be made directly payable to the mortgage holder, including, if applicable, any escrowed tax or insurance obligations pursuant to the terms of the applicant's note and mortgage.

(c) Food/Grocery assistance: a voucher may be issued for groceries to be purchased. The voucher will be made directly payable to a grocer.

(d) Utility assistance: a voucher may be issued for the payment of utilities, including electricity, water, gas sewage, bottled gas used for home heating, and waste/trash.

Section 5. Incomplete Applications. An incomplete application shall be denied. However, an applicant is not prohibited from resubmitting an updated application provided that a prior application was denied solely on the basis of being incomplete.

Section 6. Administrative Review of Application Denial. (1) Within thirty (30) days of receipt of notice of denial, an applicant whose application was denied in whole or part for failure to meet the requirements of Section 3 or Section 4 of this administrative regulation may request a review of the denial by the Secretary of the Public Protection Cabinet. If the Secretary determines that the application should have been granted, a voucher in the amount so determined shall be awarded, subject to the availability of funds. There shall be no review if a request is not funded because funds are unavailable. If the Secretary determines that the application was appropriately denied, the applicant may appeal to the Franklin District Court.

Section 7. Use of Contractor to Evaluate Claims and Distribute Monies. (1) In order to fulfill the obligations imposed on the Cabinet by the Order, the Cabinet may enter into a Memorandum of Agreement with a contractor to assist in evaluating claims and distributing monies.

(2) The Memorandum of Agreement may establish terms, standards, and procedures governing the Fund consistent with the public purpose of the Order and with the terms of this emergency administrative regulation.

(3) The Memorandum of Agreement may establish terms, standards, and procedures applicable to all monies received by the Fund or a portion thereof.

(4) The contractor shall be subject to audit by the Commonwealth and any of its agencies or sub-agencies, and shall promptly and completely comply with any request for information regarding the Fund.

Section 8. Administrative fees. No administrative fees shall be paid from the Fund to any agency of the Commonwealth of Kentucky or any Contractor engaged to assist with the operation of the Fund.

Section 9. Applicability of Open Records and Document Retention. With the exception of information otherwise exempt from disclosure pursuant to the Kentucky Open Records Act, KRS 61.870, *et seq.* all documents and materials submitted to either the Commonwealth, the Cabinet, or any contractor shall be considered a public record subject to the Kentucky Open Records Act. Accordingly, the Commonwealth, the Cabinet, and any contractor shall retain all documents so described for a period of no less than two (2) years from the expiration or rescindment of Executive Order 2020-215 or the last distribution from the Fund, whichever occurs last.

Section 10. Other Acceptable Uses of Fund Monies. The Cabinet, in its sole discretion, may elect to allocate funds to qualified nonprofit organizations. A qualified nonprofit organization shall be permitted to receive funds if and only if:

(1) The qualified nonprofit organization has experienced a financial hardship due to the COVID-19 emergency during the state of emergency declared by Executive Order 2020-215; and

(2) The qualified nonprofit organization serves populations which have been severely financially impacted due to the COVID-19 emergency.

Section 11. Award of Funds. The Cabinet may award funds to qualified nonprofit organizations that have met the requirements of Section 10 in any amount it deems prudent. There shall be no right to appeal the award or denial of a financial award, as such awards are purely a matter of grace, by a qualified nonprofit entity.

Section 12. No Intent to Create Individual or Organizational Interests. The establishment of the Team Kentucky Fund is not intended to create and does not create any individual or organizational right, privilege, property interest, or benefit, whether substantive or procedural, enforceable at law or in equity by any party against the Commonwealth of Kentucky, its agents, departments, political divisions, or other entities, or any officers, employees, or agents thereof, or any other persons.

KERRY B. HARVEY, SECRETARY

APPROVED BY AGENCY: May 11, 2020

FILED WITH LRC: May 12, 2020 at 11 a.m.

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulations shall be held at 9:00 AM on June 22, 2020. This hearing will be done by video teleconference. The primary location for the video teleconference will be at 500 Mero Street, Room 127. However, guidance provided by the Commonwealth of Kentucky Finance and Administration Cabinet, in light of the COVID-19 pandemic, requires all public agencies to take proper health precautions to mitigate the spread of COVID-19 and to use video teleconference software by which the general public may view the meeting, adequate public viewing space will not be available and a link will be provided on the Cabinet's Web site, [www.ppc.ky.gov](http://www.ppc.ky.gov), by which members of the public will be able to view the video teleconference of the public hearing remotely. Members of the public wishing to attend may utilize the link provided on the Cabinet's Web site. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. The hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the emergency administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the emergency administrative regulation. Written comments shall be accepted through 11:59 PM on June 30, 2020. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person below.

CONTACT PERSON: Jacob C. Walbourn, Deputy General Counsel, 500 Mero Street, 218 NC, Frankfort, Kentucky 40601, phone (502) 782-0719, fax (502) 546-3639, email [jacob.walbourn@ky.gov](mailto:jacob.walbourn@ky.gov).

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact person: Jacob C. Walbourn, Deputy General Counsel

(1) Provide a brief summary of:

(a) What this administrative regulation does: This emergency administrative regulation establishes standards, consistent with the public purpose of Executive Order 2020-253, regarding expenditure of monies from the Team Kentucky Fund to qualified non-profit organizations or based on eligibility and qualifications for individual financial assistance. This emergency administrative regulation also establishes the application process to receive individual financial assistance from the Team Kentucky Fund.

(b) The necessity of this administrative regulation: This emergency administrative regulation is necessary to assist the Secretary of the Public Protection Cabinet in carrying out the duties set forth in Executive Order 2020-253, to establish and administer, in whole or in part, via the Cabinet or via a third party Contractor, the Team Kentucky Fund.

(c) How this administrative regulation conforms to the content of the authorizing statutes: Executive Order 2020-253 requires the Secretary of the Public Protection Cabinet to establish standards regarding acceptance and expenditure of funds based on eligibility and qualifications for assistance provided to an applicant or qualified nonprofit organization, including establishing eligibility criteria and a process for receiving, adjudicating, and paying requests for individual financial assistance from the Team Kentucky Fund. KRS 12.270(2) authorizes each cabinet secretary to accept and expend funds from any source, whether public or private, in support of the duties and responsibilities of the related cabinet. KRS 39A.180(1) authorizes the political subdivisions of the state and other agencies designated or appointed by the Governor to make, amend, and rescind orders and promulgate administrative regulations necessary for disaster and emergency response purposes and to supplement the carrying out the provisions of KRS Chapter 39A, if not inconsistent with any orders or administrative regulations promulgated by the Governor or by any state agency exercising a power delegated to it by the Governor.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This emergency administrative regulation establishes standards regarding acceptance and expenditure of funds based on eligibility and qualifications for assistance provided to a qualified nonprofit organization or an applicant, including establishing eligibility criteria and a process for receiving, adjudicating, and paying requests for individual financial assistance from the Team Kentucky Fund, as required by Executive Order 2020-253 and KRS 12.270(2).

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This is not applicable as this is an emergency administrative regulation.

(b) The necessity of the amendment to this administrative regulation: This is not applicable as this is an emergency administrative regulation.

(c) How the amendment conforms to the content of the authorizing statutes: This is not applicable as this is an emergency administrative regulation.

(d) How the amendment will assist in the effective administration of the statutes: This is not applicable as this is an emergency administrative regulation.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This emergency administrative regulation affects the Public Protection cabinet and all potential applicants seeking to receive financial assistance from the Team Kentucky Fund, as well as qualified nonprofit organizations who may be provided distributions from the fund. This administrative regulation does provide for the option for the Public Protection Cabinet to enter into a Memorandum of Agreement with a Contractor to assist in evaluating claims and distributing monies from the Team Kentucky Fund.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to comply with this administrative regulation or amendment: The Public Protection Cabinet will, directly or through a third-party contractor, have to receive, adjudicate, and/or pay requests for assistance from the Team Kentucky Fund. Individual applicants and qualified nonprofit organizations will have to meet the eligibility and/or application requirements established by this emergency administrative regulation. A Contractor, if any, will have to carry out the terms of a Memorandum of Agreement that would require it to assist in evaluating claims and distributing monies from the Team Kentucky Fund.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): Any costs to the Public Protection Cabinet will be met with existing Cabinet funds. There is no fee associated with an application to receive financial assistance from the Team Kentucky Fund. A Contractor, if any, is not permitted to retain administrative fees for its work in helping to evaluate claims and distribute monies from the Team Kentucky Fund; the costs of administration by such Contractor would be minimal.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): This emergency administrative regulation enables the Public Protection Cabinet to grant financial assistance to eligible applicants and/or qualified nonprofit organizations through the Team Kentucky Fund. A Contractor, if any, is not be permitted to retain administrative fees for its work in helping to evaluate claims and distribute monies from the Team Kentucky Fund, but would likely receive intangible benefits including goodwill, publicity, and similar items.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: There are no anticipated additional initial costs to administer this emergency administrative regulation. Any costs to the Public Protection Cabinet will be met with existing Cabinet funds.

(b) On a continuing basis: There are no anticipated additional costs to administer this emergency administrative regulation on a continuing basis. Any costs to the Public Protection Cabinet will be met with existing Cabinet funds.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Implementation of this emergency administrative regulation is not anticipated to result in additional costs to the Public Protection Cabinet. Any Cabinet costs resulting from this emergency administrative regulation will be met

with existing Cabinet funds. Any awards granted to eligible applicants will come from the Team Kentucky Fund.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: This emergency administrative regulation will not necessitate an increase in fees or require funding to the Public Protection Cabinet for implementation.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: There are no fees directly or indirectly increased by this emergency administrative regulation.

(9) TIERING: Is tiering applied? Tiering is not applied as neither qualified nonprofit organizations nor individual applicants will be disproportionately impacted by this regulation.

### FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Public Protection Cabinet, Office of the Secretary.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. This emergency administrative regulation is authorized by KRS 39A.180, KRS 12.270(2), Executive Order 2020-253.

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This emergency administrative regulation is not anticipated to generate additional revenues for the agency.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This emergency administrative regulation is not anticipated to generate additional revenues for the agency.

(c) How much will it cost to administer this program for the first year? There are no anticipated additional initial costs to administer this emergency administrative regulation. Any costs to the Public Protection Cabinet will be met with existing Cabinet funds.

(d) How much will it cost to administer this program for subsequent years? This program is anticipated to be completed within one (1) year. There are no anticipated additional initial costs to administer this emergency administrative regulation. Any costs to the Public Protection Cabinet will be met with existing Cabinet funds.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): Neutral

Expenditures (+/-): Neutral

Other Explanation: None